

U.S. Embassy Berlin

FACT SHEET

U.S. - GERMAN ECONOMIC RELATIONS

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I. Overview: U.S.- German economies

1. Basic structural data¹

	Germany	USA
Population:	82.5 million	294 million
Age structure ² :		
0-14 yrs.	14.4%	20.6%
15-64 yrs.	66.7%	67.0%
65 yrs. and over	18.9%	12.4%
Population growth rate:	0.0%	0.92%
GDP (purchasing power parity):	\$2.362 trillion	\$11.75 trillion
- per capita (PPP)	\$28,700	\$40,100
- growth (%)	1.7	4.4
- per composition by sector		
Agriculture (%)	1.1	1.6
Industry (%)	29.0	22.8
Services (%)	69.9	75.6
labor force:	42.63 million	147.4 million

2. Economic performance³

	2002	2003	2004	2005	2006 (IMF est.)
Real GDP growth:					
Ger	0.1	(0.1)	1.7	0.9	1.9
USA	1.9	3.0	4.4	3.5	3.6
Unempl. rate:					
Ger	8.6	9.6	9.2	9.2	9.2
USA	5.8	6.0	5.5	5.3	5.2
Employment growth:					
Ger	(0.6)	(1.0)	(1.4)	0.9	0.6
USA	(0.3)	0.9	1.1	1.9	1.5

¹ Statistisches Bundesamt: Deutschland im internationalen Vergleich 2005

² CIA World Factbook

³ IMF World Economic Outlook April 2005

Growth in real per capita GDP:					
Ger	(0.1)	(0.3)	1.5	0.7	1.9
USA	0.9	2.0	3.4	2.6	2.6
Hourly earnings:					
Ger	2.0	1.7	0.5	2.5	3.0
USA	6.7	8.5	3.6	4.5	4.0
Unit labor costs:					
Ger	(0.4)	(1.2)	(3.8)	(0.3)	0.2
USA	(0.8)	3.3	(1.3)	0.7	1.0
Productivity					
Ger	2.4	2.9	4.5	2.8	2.8
USA	7.6	5.0	5.0	3.9	3.0
Government gross debt in % of GDP					
Ger	60.9	63.8	66.1	68.6	69.8
USA	58.6	60.5	61.0	61.9	62.7
Fiscal balance ⁴					
Ger	(3.7)	(3.8)	(3.7)	(3.5)	(3.4)
USA	(4.0)	(4.6)	(4.3)	(4.4)	(4.2)
Current account balance in % of GDP					
Ger	2.2	2.2	3.6	3.8	3.4
USA	(4.5)	(4.8)	(5.7)	(5.8)	(5.7)
Inflation					
Ger	1.3	1.0	1.8	1.5	1.2
USA	1.6	2.3	2.7	2.7	2.4

⁴ all government levels

3. Exchange rates⁵

	2001	2002	2003	2004	2005 Assumption
U.S. Dollar nominal exchange rates					
Euro	0.896	0.944	1.131	1.243	1.314
Real effective exchange rates ⁶					
USA	108.8	107.3	94.3	86.7	2.0 ⁷
Germany	98.8	99.4	103.3	103.9	-0.8

4. Labor cost comparison

Position in international labor cost ranking: Ranking position "1" means highest cost of OECD countries considered.⁸

	Labor costs per hour				1
	Labor costs	Wage	Non-wage labor costs	Unit labor costs	
Germany					1
- West	3 (euro 27.09)	4 (euro 15.13)	1 (euro 11.96)		
- East	16 (euro 16.86)	17 (euro 10.17)	15 (euro 6.68)		
USA	12 (euro 19.91)	6 (19.91)	16 (euro 5.99)		10

⁵ U.S. Dollars per national currency unit; IMF World Economic Outlook April 2005

⁶ Defined as the ration, in common currency, of the normalized unit labor costs in the manufacturing sector to the weights of those of its industrial country trading partners; Index, 2000=100

⁷ percent change from previous assumption

⁸ Institut der Deutschen Wirtschaft (IW): Standort Deutschland 2005, p. 5 Basis of the ranking are manufacturing labor costs in euros. The ranking compares the cost in 24 OECD countries (Norway, Denmark, Germany, Switzerland, Finland, Belgium, Netherlands, Sweden, Austria, Luxemburg, France, USA, UK, Japan, Ireland, Canada, Italy, Spain, Greece, Portugal, Czech Rep., Hungary, Poland, Slovak Rep.)

II. Trade

1. U.S. trading partners

- 2004 figures⁹ -

Exports	Imports	total trade
1. Canada	1. Canada	1. China
2. Mexico	2. China	2. Canada
3. Japan	3. Mexico	3. Japan
4. China	4. Japan	4. Mexico
5. UK	5. Germany	5. Germany
6. Germany	6. UK	6. Korea
7. Korea	7. Korea	7. Venezuela
8. Netherlands	8. Taiwan	8. Ireland
9. Taiwan	9. France	9. Italy
10. France	10. Malaysia	10. Malaysia

2. German trading partners

- 2004 figures¹⁰ -

Exports (% share of total German exports)	Imports (% share of total German imports)
1. France (10.3%)	1. France (9.0%)
2. US (8.8%)	2. Netherlands (8.3%)
3. UK (8.3%)	3. US (7.0%)
4. Italy (7.2%)	4. Italy (6.1%)
5. Netherlands (6.2)	5. UK (5.9%)
6. Belgium (5.6%)	6. China (5.6%)
7. Austria (5.4%)	7. Belgium (4.9%)
8. Spain (5.0%)	8. Austria (4.2%)
9. Switzerland (3.8%)	9. Switzerland (3.7%)
10. China (2.9%)	10. Japan (3.7%)

⁹ USITC: http://dataweb.usitc.gov/scripts/cy_m3_run.asp

¹⁰ German Federal Statistical Office:
<http://www.destatis.de/download/d/aussh/rangfolge04.pdf>

3. German - U.S. trade as % share of total German trade¹¹

	German goods exports to U.S. as % share of total exports	German goods imports from U.S. as % share of total imports
1950 ¹²	5.1	15.3
.	.	.
1991	6.3	6.6
.	.	.
1999	10.1	8.3
2000	10.3	8.8
2001	10.6	8.3
2002	10.3	7.7
2003	9.3	7.3
2004	8.8	7.0

4. Annual bilateral goods trade flows¹³

	- billion euros -		
	German exports to U.S.	German imports from U.S.	trade balance (goods exports - goods imports)
1950 ¹⁴	0.22	0.89	-
.	.	.	.
1991	21.3	21.6	-
.	.	.	.
1995	27.9	23.2	-
1996	30.7	25.3	-
1997	39.2	30.2	-

¹¹ AmCham Germany:

http://www.amcham.de/fileadmin/templates/main/pdf/Trade_Import_Export.pdf;
as of 2003: German Federal Statistical Office:

<http://www.destatis.de/presse/deutsch/pm2005/p1590181.htm>

¹² West Germany; German Council of Economic Experts:

<http://www.sachverstaendigenrat-wirtschaft.Tabellen/Tab63jg.pdf>

¹³ German Council of Economic Experts: <http://www.sachverstaendigenrat-wirtschaft.de/gutacht/Tabellen/Tab63jg.pdf>; trade balance and exports/imports as of 2001: Bundesbank:

http://www.bundesbank.de/download/volkswirtschaft/stat_beihefte/zahlungsbilanzstatistik052005.pdf

¹⁴ euro values for West Germany

1998	45.9	34.9	-
1999	51.4	36.8	-
2000	61.8	47.1	-
2001	67.8	46.0	21.8
2002	68.3	40.4	27.9
2003	61.7	39.0	22.7
2004	64.8	40.3	24.5

5. German current account with the U.S.

Bilateral current account: Net flow of current transactions, including goods, services, and interest payments, between Germany and US.

- billion euros¹⁵ -

1999	10.2
2000	9.5
2001	10.9
2002	27.0
2003	14.6
2004	23.3

6. U.S. exports to Germany

- 2004 goods exports at customs values in \$ million¹⁶ -

All categories	\$27,222.9
1. machinery and mechanical appliances	\$5,692.9
2. optical, photographic, measuring, medical instruments and apparatus	\$3,432.3
3. vehicles, other than railway rolling stock	\$3,381.3
4. electrical machinery and equipment	\$3,085.6
5. organic chemicals	\$1,782.2
6. aircraft, spacecraft, and parts thereof	\$1,203.0

¹⁵ Bundesbank:

http://www.bundesbank.de/download/volkswirtschaft/stat_beihefte/zahlungsbilanzstatistik052005.pdf, p. 12

¹⁶ USITC: http://dataweb.usitc.gov/scripts/cy_m3_run.asp

7. miscellaneous chemical products	\$981.0
8. special classification provisions, nesoi	\$965.3
9. plastics and articles thereof	\$683.0
10. pharmaceutical products	\$592.4

7. U.S. imports from Germany

- 2004 goods imports at customs values in \$ million -

All categories	\$75,621.8
1. vehicles, other than railway rolling stock	\$23,735.0
2. machinery and mechanical appliances	\$14,755.0
3. optical, photographic, measuring, medical instruments and apparatus	\$5,534.5
4. electrical machinery and equipment	\$4,604.5
5. pharmaceutical products	\$3,996.7
6. organic chemicals	\$2,583.3
7. special classification provisions, nesoi	\$2,300.2
8. plastics and articles thereof	\$1,569.6
9. special import reporting provisions, nesoi	\$1,487.0
10. aircraft, spacecraft, and parts thereof	\$1,217.6

III. Investment

1. German FDI in the U.S.

German investment position in the U.S. (end of 2003): 139 billion euros = 24% of all German FDI.¹⁷

- FDI flows in billion euros¹⁸ -

	total German net FDI outflows	German net FDI transfer to U.S.
2001	-44.3	-48.5
2002	16.1	2.7
2003	3.2	569
2004	5.9	7.0

2. U.S. FDI in Germany

U.S. investment position in Germany (end of 2003): 81 billion euros = 15% of all FDI invested in Germany.¹⁹

- FDI flows in billion euros²⁰ -

	total foreign net FDI transfers to Germany	U.S. net FDI transfer to Germany
2001	29.5	7.0
2002	53.7	3.3
2003	24.2	4.8
2004	-31.1	266

¹⁷ Bundesbank: Kapitalverflechtung mit dem Ausland, p. 18;
http://www.bundesbank.de/stat/download/stat_sonder/statsol0.pdf

¹⁸ Ministry of Economics and Labor: Deutsche Direktinvestitionen im Ausland nach Laendergruppen und Laendern:
<http://www.bmwa.bund.de/Redaktion/Inhalte/Pdf/C-D/deutsche-direktinvestitionen-im-ausland-nach-laendergruppen-2001-2004.property=pdf,rwb=true.pdf>

¹⁹ Bundesbank: Kapitalverflechtung mit dem Ausland, p. 56;
http://www.bundesbank.de/stat/download/stat_sonder/statsol0.pdf

²⁰ Ministry of Economics and Labor:
<http://www.bmwa.bund.de/Redaktion/Inhalte/Pdf/A/auslaendische-direktinvestitionen-im-inland-nach-laendergruppen-2001-2004.property=pdf.pdf>

IV. Companies

1. German companies/jobs/turnover in the U.S.

In 2003, 3,396 German companies (15% of all German firms established abroad) accounted for 766,000 jobs in the U.S. (17% of all jobs provided by German firms established abroad) and yielded a turnover of 356 billion euros in the U.S. (26% of total turnover yielded by German firms established abroad).²¹

2. U.S. companies/jobs/turnover in Germany

In 2003, 1,363 U.S. companies (almost 15% of all foreign firms established in Germany) accounted for 652,600 jobs in Germany (31% of all jobs provided by foreign firms in Germany) and yielded a turnover of 136 billion euros (16% of turnover yielded by foreign companies established in Germany).²²

3. Largest German manufacturing companies in 2002²³

Ranking	Company	turnover in billion euros	employees in '000
1	DaimlerChrysler	149.6	365.6
2	Volkswagen	86.9	324.9
2	Volkswagen AG	43.1	108.2
3	Siemens	84.0	445.1
	Siemens AG	27.8	111.1
4	RWE AG	43.5	131.8
5	E.ON AG	36.1	107.9
6	BMW Group	42.3	101.4
	BMW AG	36.9	76.0
7	ThyssenKrupp	36.7	191.3
8	Bosch	35.0	224.3
9	BASF Gruppe	32.2	89.4
10	Bayer	29.6	122.6

²¹ Bundesbank: Kapitalverflechtung mit dem Ausland, p. 18;
http://www.bundesbank.de/stat/download/stat_sonder/stats010.pdf

²² Bundesbank: Kapitalverflechtung mit dem Ausland, p.56; Hamilton/Quinlan:
Partners in Prosperity. The Changing Geography of the Transatlantic
Economy, John Hopkins University, 2004, p. 108

²³ FAZ: [http://www.faz.net/s/RubEC1ACFE1EE274C81BCD3621EF555C83C/
Doc~EA34FEC92602C4138875DB5CCD11916B0~ATpl~Ecommon~Sspezial.html](http://www.faz.net/s/RubEC1ACFE1EE274C81BCD3621EF555C83C/Doc~EA34FEC92602C4138875DB5CCD11916B0~ATpl~Ecommon~Sspezial.html)

4. Major U.S. firms in Germany²⁴

- turnover in '000 euros -

Name	2002	2003
1. Ford	15,924	14,042
2. Opel	14,875	13,940
3. Exxon Mobil	12,600	11,900
4. IBM	7,600	7,800
5. Philip Morris	6,923	6,844
6. GE	4,500	5,900
7. Hewlett-Packard	4,100	5,300
8. ConocoPhilipsContinental	4,973	5,253
9. Ingram Micro Holding	-	3,095
10. Dow	3,700	3,000

²⁴ AmCham Germany: Commerce Germany October 2004, Vol 2, Issue 4; next update October 2005